



## ***Committee on Finance and the Northampton City Council***

*Councilor Gina-Louise Sciarra, Chair  
Councilor Marianne LaBarge, Vice Chair  
Councilor Michael J. Quinlan, Jr.  
Councilor John Thorpe*

### **On-line Zoom Meeting**

Meeting Date: December 3, 2020

Note: The Finance Committee Meeting took place during the City Council Meeting as announced. The City Council Meeting began at 7 p.m.

1. **Meeting Called To Order:** At 8:52 p.m., Councilor Sciarra called the meeting to order.
2. **Roll Call:** Present were committee members Gina-Louise Sciarra (Chair), Marianne LaBarge (Vice-Chair), Michael J. Quinlan, Jr. and John Thorpe. Also present from the City Council were William H. Dwight, Alex Jarrett, Karen Foster, Rachel Maiore and Jim Nash.
3. **Approval of Minutes of November 5, 2020**  
Councilor LaBarge moved to approve the minutes of November 5, 2020. Councilor Quinlan seconded. The motion passed unanimously 4:0 by roll call vote.
4. **Financial Orders**
  - A. **20.156 An Order to Appropriate Free Cash \$60,000 to Health Department for Temporary COVID-19 Staffing**

Councilor Sciarra read the order.

Councilor LaBarge moved to forward the order with a positive recommendation. Councilor Thorpe seconded.

Director O'Leary made reference to the fact that the CARES Act expires December 30<sup>th</sup>, Mayor Narkewicz reminded. This order relates to the inability of congress to reauthorize any of the previous COVID-19 programs, not only for businesses but for states and municipalities, unemployment, etc. The city has been tapping into CARES Act funding for all of the unanticipated eligible expenses for COVID 19, including items in the health department. In the Washington world, everything gets solved on December 30<sup>th</sup> and COVID-19 goes away, but we know in the real world that COVID-19 will continue. They hope it will be reauthorized beyond December 30<sup>th</sup> but in the absence of that happening, they feel that it is important to keep the health department staff described by Director O'Leary going for the second half of the fiscal year. They believe that amount would cover those expenses for the remainder of the fiscal year. If they get CARES Act

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funding, they won't have to utilize it. They believe congress will reauthorize it but they don't want the department running into a deficit.

Councilor Jarrett asked the balance of the General Fund Undesignated Reserve.

General Fund Free Cash was just recertified by the state at \$5.7 million, Mayor Narkewicz advised. Of that, \$2.1 million was the existing Free Cash balance and the city generated \$3.6 million in new Free Cash, basically 3.6% of the FY2020 budget. They now have access to Free Cash again. Typically, they use it to fund one-time unanticipated costs, including Snow and Ice or legal expenses. This would be example of an unanticipated but most likely temporary overage in the health department.

Councilor Jarrett asked if it gets moved to the fiscal stability fund before the end of the fiscal year.

The practice has been to move large amounts of Free Cash to stabilization funds, Mayor Narkewicz confirmed. The finance director will be developing an order to move Free Cash into the regular stabilization fund, the capital stabilization fund and the fiscal stability fund as well. The city also relies on Free Cash to fund the capital program. They do not generally leave large amounts of funds to carry over. This year, the finance director was rightly concerned that they didn't know what was going to happen in the early months. They wanted to keep additional Free Cash on hand as they closed out the fiscal year not knowing what they would be facing with COVID.

They generated \$5.7 in Free Cash, but really only \$3.6 million was new Free Cash resulting from turn backs from departments that didn't spend their entire appropriations and from revenue in excess of projections, Director Wright clarified. Last year they did leave \$2.1 million as a buffer going into this year. They are working on a plan that they will probably bring to them in January in which they would recommend some amounts being appropriated to the various stabilization funds mentioned by the mayor.

Members asked questions and offered comments.

The motion carried 4:0 by roll call vote.

5. **New Business**

None.

6. **Adjourn:** There being no further business, Councilor LaBarge moved to adjourn. Councilor Thorpe seconded. The motion carried on a roll call vote of 4 Yes, 0 No. The meeting adjourned at 9:04 p.m.

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